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3) Prime Minister's Official Residence (Kantei)

Prime Minister's schedule, June 27

NIKKEI (Page 2) (Full)
June 28, 2009

10:03 Took a walk near official residential quarters
12:50 Haircut at "Sato Barber Shop" at Hotel Pacific Tokyo in Takanawa
14:23 Suzuden Liquor Shop in Yotsuya

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14:47 Went through documents at Imperial Hotel
17:30 Met special adviser to LDP president Shimamura at Imperial Lounge Aqua of Imperial Hotel
19:38 Met Secretary General Hosoda at Imperial Hotel's Japanese restaurant "Nadaman"
21:53 Arrived at official residential quarters

Prime Minister's schedule, June 28

NIKKEI (Page 2) (Full)
June 27, 2009

10:01 Took a walk near official residential quarters
14:06 Arrived at Prime Minister's Official Residence (Kantei)
15:17 Met ROK President Lee Myung Bak
16:56 Held joint news conference; met Nippon Keidanren Chairman Mitarai, chairman of Federation of Korean Industries Cho Suck Rai, and other Japanese, ROK business leaders with President Lee; took group picture
18:13 Dinner hosted by prime minister at official residential quarters
19:47 Went through documents at personal office in Nagata-cho
20:00 Arrived at official residential quarters

4) Ex-ministry official admits to taking over secret deal document on U.S. nuclear introduction

MAINICHI (Top play) (Abridged)
June 29, 2009

In 1960, when Japan and the United States revised their bilateral security pact, the Japanese government agreed to allow U.S. naval ships carrying nuclear weapons to make port calls in Japan. Concerning this so-called secret deal on nuclear introduction, Ryohei Murata, 79, of Kyoto City, who became administrative vice foreign minister in July 1987, revealed that he had taken it over in written form from his predecessor. "I had heard that there was apparently a secret agreement, but it was not until I became administrative vice minister that I actually saw the Japanese side's paper," Murata told the Mainichi Shimbun in an interview yesterday evening. The Japanese government has denied such a secret accord. Murata is the first to admit that the secret deal over nuclear introduction had been handed over to successive administrative vice foreign ministers.

According to Murata, the secret deal was "written on a regular piece of paper" and "put into an envelope." Murata's predecessor handed the envelope to him. At the time, his predecessor asked him to "explain this to the minister." Murata served as administrative vice foreign minister for about two years until August 1989. During that time, Murata explained the deal to the two late foreign ministers, Tadashi Kuranari and Sosuke Uno. Murata then handed it over to his successor, according to his account.

In 1960, when the Japan-U.S. Security Treaty was revised, the Japanese and U.S. governments confirmed that the two governments

would hold prior consultations over base operations before the U.S. military made major changes to its equipment. At that time, however, the Japanese and U.S. governments secretly agreed that they would not hold prior consultations over nuclear-carrying U.S. naval ships' port calls and transits through Japanese territorial waters or U.S. military aircraft's flights to Japan. This arcane agreement was

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brought to light when the Mainichi Shimbun reported on former U.S. Ambassador to Japan Reischauer's testimony in May 1981 on "nuclear introduction." However, the Japanese government has denied the existence of this secret deal, saying: "Since there has been no proposal from the U.S. government for prior consultations, we believe that there has been no nuclear introduction. The Japanese government will not make an inquiry to the U.S. government."

5) JCG to be tasked with cargo inspections

YOMIURI (Page 2) (Abridged)
June 27, 2009

The ruling Liberal Democratic Party and its coalition partner, the New Komeito party, held a meeting of their policy chiefs yesterday, during which they approved an outline of a government bill to be presented to the Diet at the current session for a special measures law to conduct cargo inspections. In response, the government will hurry to work out the bill and present it to the Diet as early as July 3.

Cargo inspections are going to be conducted in response to United Nations Security Council Resolution 1874 for sanctions against North Korea. The action is intended to prevent North Korea from developing weapons of mass destruction, such as nuclear weapons and missiles.

The bill will stipulates that the government will set up a liaison conference of its ministries and agencies concerned since the government will conduct cargo inspections as a whole. Actual cargo inspections will be undertaken by the Japan Coast Guard. The focus was on the Self-Defense Forces' involvement. The bill will go no further than to task the SDF with intelligence-gathering activities, which include tailing ships.

However, if and when there is a special need that cannot be met by the JCG, the government will then invoke the Self-Defense Forces Law's Article 82 for maritime security operations and the SDF will be mobilized. The government and the ruling parties will further study this case before introducing the legislation to the Diet.

Inspections will be conducted in Japan's territorial waters and in international waters. However, such inspections require consent from the captain of a ship to be inspected. In international waters, inspections also require consent from the flag state of a ship to be inspected. In case the captain does not consent to cargo inspections, the JCG will take the subject ship to a Japanese port. In addition, if contrabands are discovered, the JCG will order the subject ship to come up with them. Ships refusing inspections or orders will be penalized.

6) Candidate site yet to be located for Atsugi-based jets' touch-and-go training

MAINICHI (Page 3) (Abridged)
June 29, 2009

Kyodo, Washington

U.S. fighter jets based at Atsugi in Kanagawa Prefecture have temporarily been conducting field carrier landing practice (FCLP) at Tokyo's outlying island of Iwojima. The Japanese government is to select a permanent training facility for FCLP by July, according to

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an intergovernmental agreement reached with the United States to realign U.S. forces in Japan. However, the government has found it

difficult to select it by this July, sources revealed yesterday.

The Japanese government has already told the U.S. government that it would be difficult to make the July deadline. At the same time, the government rejected the U.S. government's request to locate an FCLP facility within a radius of 180 kilometers from Iwakuni base in Yamaguchi Prefecture. The government is now looking for a candidate site in a wider area.

It was revealed by several sources on Japan-U.S. relations. FCLP includes night landing practice (NLP) or touch-and-go training and will bring about serious noise damage to local residents, so it will inevitably be difficult to select an FCLP site. The U.S. military is strongly dissatisfied. Eventually, the issue will likely delay the planned transfer of carrier-borne fighter jets from Atsugi to Iwakuni.

7) Japan-ROK summit calls for five-party talks on North Korea, stepping up economic partnership agreement talks

NIKKEI (Page 2) (Full)
June 29, 2009

Prime Minister Taro Aso met with ROK President Lee Myung Bak at the Prime Minister's Official Residence on June 28. With regard to the future of the Six-Party Talks on North Korea's nuclear issue, the two leaders agreed on considering a five-nation framework, excluding the DPRK. They also confirmed cooperation on the strict implementation of the sanctions against North Korea under the UN Security Council (UNSC) resolution. The holding of a deputy ministerial level meeting on July 1 to discuss the resumption of the economic partnership agreement (EPA) talks was also decided.

The latest summit is part of the "shuttle diplomacy" between the two leaders. Around one hour of the summit lasting 90 minutes was devoted to a small group meeting consisting of the two leaders and the foreign ministers of both countries, where the discussion focused on the North Korea issue. Minister of Economy, Trade, and Industry Toshihiro Nikai and other concerned ministers participated in the enlarged meeting, where the EPA talks and other topics were discussed.

Aso pointed out that North Korea's nuclear test and other provocative actions "constitute a grave threat to security in Northeast Asia as a whole." The two leaders agreed on promoting information exchange and other forms of cooperation in order to strictly enforce UNSC Resolution 1874 providing for cargo inspection and other sanctions.

The two leaders also confirmed China's important role in this process. They reconfirmed close cooperation among Japan, the United States, and the ROK. With regard to a meeting by the participants of the Six-Party Talks other than the DPRK, they agreed that, "If this will contribute to progress in the Six-Party Talks, it will be meaningful for the five nations to discuss their response at some point."

The contemplated five-party talks is meant to discuss the five nations' negotiation strategy with North Korea under the current situation where DPRK refuses to participate in the Six-Party Talks.

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The date and participants will be subject to further coordination. President Lee indicated his willingness to do everything possible to cooperate in resolving the abduction issue.

Meanwhile, the Japan-ROK EPA talks, which were suspended in 2004, resumed in 2008, with two division chief level meetings being held so far. These talks will be stepped up by upgrading them to the deputy ministerial level.

In the joint news conference held after the summit, Lee predicted that, "If we are able to understand each other's position, we might be able to reach agreement at an unexpectedly early date."

8) Japan-UK foreign ministers confirm implementation of DPRK

sanctions, express concern on Iranian situation

NIKKEI (Page 2) (Full)
June 28, 2009

Naoya Esato, Trieste, Northern Italy

Foreign Minister Hirofumi Nakasone, who is on a visit to Italy, met with British Foreign Secretary David Miliband on the morning of June 27 (afternoon of June 27, Japan time). They agreed that it is most important to steadily implement the UN Security Council resolution providing for new sanctions on North Korea, such as cargo inspections. They also confirmed cooperation between Japan and the UK for a comprehensive solution to issues including the abduction of Japanese nationals by the DPRK and its missile development.

With regard to the political turmoil in Iran, Nakasone expressed concern about casualties. The two foreign ministers also agreed to step up efforts to resolve nuclear non-proliferation and other issues.

9) G-8 foreign ministerial meeting ends, agrees on aid for Afghan border area

NIKKEI (Page 2) (Full)
June 28, 2009

Naoya Esato, Trieste, Italy

The G-8 foreign ministerial meeting closed on the afternoon of June 27 (evening of June 27, Japan time). In addition to North Korea and other issues, the meeting also discussed aid for the stabilization of Afghanistan and Pakistan. At a separate meeting of concerned countries on these two nations on June 27, a chairman's statement stressing the need for urgent aid for stabilizing the security situation in the border area, which has become a hotbed of terrorist activities, was adopted.

10) Japan, U.S., China to hold regular director-general level dialogue on climate change, etc.

TOKYO SHIMBUN (Page 3) (Full)
June 29, 2009

Japan, the U.S. and China have agreed as of yesterday to hold regular policy talks at the director general level, according to government sources. Their first meeting will be held in Washington in late July. It will be the first time for the three countries to

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hold trilateral policy talks. Japan and the U.S. have judged it necessary to have China participate in wide-ranging talks on issues related to the Asia-Pacific region.

In the first meeting, representatives from the three countries will discuss such issues as climate change, natural resources and energy. Japan and the U.S. hopes to place on the agenda in due course security issues in Asia, including the issue of growing Chinese military power. The three countries will also consider upgrading the regular talks to the vice ministerial level in the future. Meanwhile, China will be able to increase its influence in Asia by pursuing tighter relations with Japan and the U.S.

China had proposed the idea of holding trilateral policy talks to the previous Bush administration, but the U.S. had declined the offer, out of consideration to South Korea, saddled with North Korean issues. In the upcoming policy talks, North Korean issues will not be discussed. Participating in the upcoming meeting will be Foreign Ministry's Foreign Policy Bureau Director General Koro Bessho from Japan, State Department's Policy Planning Director Anne-Marie Slaughter from the U.S., and a Foreign Ministry bureau director from China.

11) View gaining ground in ruling coalition that Prime Minister will dissolve Lower House after Tokyo election

ASAHI (Page 2) (Abridged slightly)
June 29, 2009

In the wake of a meeting on June 27 between Prime Minister Taro Aso and Liberal Democratic Party (LDP) Secretary General Hiroyuki Hosoda, a view has spread in the ruling coalition that a plan to shuffle the LDP executives has been put off and that the House of Representatives may be dissolved after the July 12 Tokyo Metropolitan Assembly election.

In the June 27 meeting, the Prime Minister did not make any definite statement on changing party executives, simply expressing his desire to see important bills, such as one to amend the Organ Transplant Law, put together at an early time.

Appearing on an NHK program yesterday, Hosoda explained that the Prime Minister had told him that he was considering many things about a possible shuffle of the party executives. Hosoda also quoted the Prime Minister as telling him, "Contrary to popular rumor, I cannot recall mentioning any specific individuals for a possible shuffle." Hosoda thus indicated that the Prime Minister has yet to decide to appoint any new party officers. Given the fact that the Prime Minister did not touch on the much-talked-about option of replacing Hosoda, one of the LDP leadership speculated yesterday that the Prime Minister would not shuffle the LDP leadership. A New Komeito executive, too, said, "I don't think there will be any major (cabinet) shuffle or LDP leadership shuffle." Another LDP executive indicated otherwise, saying, "The Prime Minister did not say he will not shuffle the cabinet or the party leadership."

About the timing of Lower House dissolution, a senior New Komeito lawmaker commented: "There will be no dissolution before the Tokyo assembly election. There are many key bills, and the opposition parties' moves tell that the (G-8) summit will be followed by the Tokyo elections." LDP Diet Affairs Committee Chairman Tadamori Oshima delivered a speech in Hachinohe, Aomori, yesterday in which

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he said, "I think the Prime Minister will pick one of the two options: before the summit or after it." Oshima thus indicated that the Prime Minister will dissolve the Lower House before the July 8-10 summit or after the Tokyo election for polls in early August.

12) Growing calls for speeding up LDP presidential election

YOMIURI (Page 4) (Abridged slightly)
June 29, 2009

Prime Minister Taro Aso has repeatedly said that he will make a decision on his own on the timing of dissolving the House of Representatives, but anti-Aso members in the Liberal Democratic Party (LDP) intend to move full swing starting today in their drive to remove him from office. They are taking a stance of preventing Lower House dissolution by Aso. The terms of the Lower House members have only two months left. This is the last chance for those forces to replace Aso as LDP president. It is expected that LDP leadership and factions will try to quell the anti-Aso moves.

"A new president should be elected in August and we should then ask the people for a vote of confidence," former LDP Secretary General Tsutomu Takebe stressed in a speech delivered on June 27 in the city of Wakkanai, Hokkaido. As candidates to replace Aso, he cited the names of former Defense Minister Yuriko Koide and Health, Labor, and Welfare Minister Yoichi Masuzoe.

In a speech on June 26 in Hakodate City, Hokkaido, Hidenao Nakagawa, a former LDP secretary general, called for Aso's to make a bold decision. After that, on the phone to Lower House member Taku Yamamoto, who has collected signatures from LDP lawmakers in order to move up the presidential election, he said, "Let's do it together."

Yamamoto intends to cooperate with former science and technology minister Yasufumi Tanahashi, who (last week) directly asked Aso to step down. Tanahashi and junior LDP members will form a group today.

If a majority (216) of the LDP Diet members and prefectural representatives request (a recall), the LDP will be able to have a presidential election. Yamamoto said clearly: "We can no longer go back. Mr. Nakagawa and Mr. Tanahashi have called for it. It will be possible to collect 216 signatures if we include Mr. Takebe and junior members who are now serving their first terms in the Diet.

13) Chief Cabinet Secretary Hosoda seeks opposition parties' cooperation on three bills, but New Komeito unhappy about calls for dumping Aso in LDP

YOMIURI (Page 2) (Full)
June 29, 2009

Prime Minister Aso revealed to Liberal Democratic Party of Japan (LDP) Secretary General Hosoda on June 27 his decision to dissolve the House of Representatives after the Tokyo assembly election (set for July 12) for the reason of placing emphasis on enacting key bills and to give up changing the three party executive officers. Bearing Aso's decision in mind, Hosoda called on the opposition camp in an NHK Program yesterday to cooperate in Diet deliberations on the bills. Meanwhile, a New Komeito member expressed in the TV program his strong dissatisfaction at the recent moves in the LDP to

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oust Aso.

In the TV program, Hosoda stressed the need to enact a cargo inspection special measures bill, a bill amending the Organ Transplant Law, and a bill to rescue unacknowledged sufferers of Minamata disease, saying: "Enacting the bills is vital for the sake of the state and its people. Let's agree on as many parts as possible and start deliberations quickly." Aso instructed Hosoda in their meeting on the 27th to have the three bills enacted in the current Diet session. In response, Democratic Party of Japan Secretary General Okada remarked:

"I interpret (Aso's call for enacting the three bills) to mean that the Lower House will not be dissolved before the Tokyo assembly election. The three bills are all important, so we would like to fully discuss them and reach a conclusion."

Regarding a change of the three party executive officers, Hosoda said while introducing what he discussed with the prime minister:

"The prime minister told me, 'I am thinking about it, but I have not expressed my specific view.' He seems to be suggesting that he will begin with a clean slate."

He also emphasized that Aso should dissolve the Lower House, regardless of what outcome will be brought out in the Tokyo assembly election.

In the same program, New Komeito Secretary General Kitagawa expressed his strong displeasure at recent calls in the LDP for replacing the prime minister, saying: "Remarks that could affect our election campaign is very regrettable." Another senior member of the New Komeito also made this comment yesterday: "We might not support in the Lower House election the LDP members who are calling for dumping Aso or moving up a party presidential election."

14) Prime Minister Aso remains undecided on whether to shuffle LDP executives; If he fails to do so, he will lose his grip on the party; If he shuffles, effect will be limited

TOKYO SHIMBUN (Page 2) (Excerpts)
June 29, 2009

Prime Minister Taro Aso intended to carry out a partial shuffle of the Liberal Democratic Party (LDP) executives and his cabinet members before dissolving the House of Representatives to call a general election, but he is now showing a reluctance to do so, having met opposition from within the LDP. If he gives up on his initial idea, he would come under criticism for lacking leadership. Even if he implements his plan, the effect would be limited,

possibly causing resentment in the LDP. Aso now seems to have reached a cul de sac.

Appearing on a NHK program yesterday, LDP Secretary General Hiroyuki Hosoda said: "It seems to me that (the Prime Minister) has now returned to the drawing board" as to whether he will shuffle the LDP leadership.

In their meeting on the night of June 27, Hosoda told Aso: "I leave the issue to you because it is a matter on which the LDP president should make a decision." Aso responded: "I haven't referred to anything about it. Different people have said such things but

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without consulting me."

With regard to Aso's remark, a senior LDP member said: "The Prime Minister has not said that he would not shuffle the lineup," suggesting that Aso still remains undecided.

There have been many cases of Aso's flip-flops having caused confusion in the LDP. He made policy flip-flops on such issues as whether to receive the cash payment and whether to split the Ministry of Health, Labor, and Welfare.

It is true that Aso has not said clearly whether he would shuffle the LDP executive lineup. However, speculation has been rampant that he would do so. It is certain that he will lose his influence now in the party because if he forgoes under such circumstances, he will demonstrate a lack of leadership to the party. There is also a possibility that his relationship with former Prime Minister Shinzo Abe, who had suggested the shuffle of the party leadership as a measure to break the impasse, will worsen.

However, if he changes the LDP executive lineup, the public will take it as an election strategy. It is unthinkable that a change in the LDP leadership will boost the approval rating for the Aso cabinet as some LDP members expect.

Asked about the timing of Lower House dissolution, Aso said June 25: "In the not-so-distant future." His remark created a mood that he would dissolve the Lower House before the July 12 Tokyo Metropolitan Assembly election. Aso made the remark to seek to constrain moves to dump him in the LDP. If he forgoes both the shuffle of the LDP executive and Lower House dissolution before the Tokyo assembly election, moves to remove him from office will accelerate.

15) Hatoyama opposed to general election under Aso

ASAHI (Page 2) (Full)
June 29, 2009

Former Internal Affairs and Communications Minister Kunio Hatoyama of the Liberal Democratic Party (LDP) delivered a speech in the town of Toyoyama in Aichi Prefecture yesterday. In it, touching on views in the party calling for an early LDP presidential election, Hatoyama said: "Those calls are correct. Although Prime Minister Taro Aso is a close friend of mine, I do not want to face the next general election under his banner." Hatoyama expressed his opposition to Lower House dissolution and the general election under Prime Minister Aso. Hatoyama also strongly discouraged Aso from dissolving the Lower House at an early time, saying, "If he dissolves the chamber out of desperation, all promising candidates will suffer serious consequences. I am thinking seriously about what must be done to prevent that."

16) Kunio Hatoyama: My brother is Ozawa's watch dog

TOKYO SHIMBUN (Page 2) (Full)
June 29, 2009

In a speech delivered yesterday in the city of Otsu, former Internal Affairs and Communications Minister Kunio Hatoyama talked cynically about his brother, Yukio Hatoyama, president of the Democratic Party of Japan (DPJ): "He has now become the watch dog of DPJ Deputy President Ichiro Ozawa," indicating his negative view on the

possibility of his forming an alliance with the DPJ.

Kunio said that while both brothers when they belonged to the Liberal Democratic Party (LDP) had criticized Ozawa for his money politics and behind-the-scenes maneuvering. Kunio then said: "My brother (having joined the DPJ) has now become the DPJ's leader, after exercising patience under Ozawa's leadership. I can't stand such patience."

Referring to allegations that Yukio's fund management organization falsely reported on individual donations, Kunio pointed out: "If it is true, such will violate the law. Therefore, I can't hand over the reins of government to the DPJ."

Prior to this, appearing on a Fuji TV program, asked about the possibility of political realignment and the formation of a new party, Kunio said: "I think there is a possibility."

17) Hatoyama, Okada wide apart on reappointment of Japan Post president, provisional tax rates, and other policy issues

NIKKEI (Page 2) (Abridged slightly)
June 29, 2009

There are apparently gaps in views between Democratic Party of Japan (DPJ) President Yukio Hatoyama and Secretary General Katsuya Okada over such issues as the party's independent policies and a vision for a DPJ administration. For instance, Hatoyama unveiled a plan to seek Yoshifumi Nishikawa's resignation as Japan Post Holdings Co. president after his party takes power. Okada, on the other hand, indicated during an NHK program yesterday that his party has yet to make an official decision not to allow Nishikawa's reappointment. Hatoyama and Okada are also wide apart on the question of provisional tax rates, such as the gasoline tax. Some in the party are expressing their concerns over the stances of the two leaders.

In a party-heads debate on June 17, Hatoyama clearly said his party would ax Nishikawa as Japan Post president after wresting power from the ruling coalition. On June 25, a project team of the DPJ, the Socialist Democratic Party, and the People's New Party called for Nishikawa's resignation. Nishikawa's resignation is regarded as an established policy in the DPJ. Okada's comment is likely to cause a stir in the party. The two leaders are also split over the question of abolishing the provisional tax rates. Hatoyama emphatically said in a press conference on June 26, "The immediate abolishment of the provisional tax rates is now regarded as a fait accompli by the public." Meanwhile, Okada during a TV-Tokyo program expressed cautiousness about immediately abolishing the provisional tax rates, saying, "When tax revenues are on the decline, a path of going deeper into debt must not be taken."

Okada also believes that the party needs to formulate a roadmap that clearly shows political reforms for the realization of a DPJ administration. During the party presidential race in May, Okada called for the formulation of a 300-day plan for a DPJ administration. In contrast, Hatoyama noted in a press conference on June 27, "We have no plan to present our roadmap in our manifesto (campaign pledges)."

ZUMWALT